

EXCEPTION TO THE RULE MAKING MORATORIUM – PRELIMINARY REQUEST

July 28, 2014

The Arizona Department of Real Estate (ADRE) is in the process of formally requesting an exception from the Governor's Office to the moratorium on Rule Making which has been in place since 2009. The Governor's Office grants exceptions for changes to rules that include creating efficiencies, promoting cost savings, benefiting public health and safety and reducing burdens on business.

This exception is necessary because:

- There have been no ADRE rule revisions since 2006;
- Many law changes have been implemented since 2006 which have no rule to support these changes i.e. Rule still references a Fingerprint Card as a requirement of licensing when the law was changed in 2010 to require a DPS issued Fingerprint Clearance Card to be presented at time of license application and the Broker Management Clinic requirements enacted in 2012.
- Some existing rules are overly stringent on the real estate industry and do not accommodate the ADRE's current electronic capabilities.
- Many terms are used in law that are not defined in Rule or elsewhere.

In order to expedite the exception process the ADRE has/will:

- Has Researched – the past feedback since 2007 that has been submitted to the ADRE from industry stakeholder groups, including specific workgroup recommendations, as well as the need for more clarification of existing statutes in the current rule, and the need for the removal of unnecessary stringent and burdensome processes for the real estate industry while adhering to the ADRE mission of “protecting the public”.
- Has Developed - a very preliminary Initial Draft Proposed 2014 Rule Revision to be reviewed in a Special Real Estate Advisory Board meeting (with public notice), a meeting inviting the education associations and the ADRE Education Advisory Committee members, the Industry Association's Representatives, as well as other stakeholder groups.
- Meetings - were scheduled with these groups and feedback was encouraged, and will be delivered to the ADRE by July 30, 2014, at which time, some revisions/modifications may be made in the first Draft, with a general consensus of support that the a rule exception should be requested.
- Submit the Request for a Rules Exception to the Governor's Office the first week of August 2014.
- If the Exception is granted, a docket shall be opened with the Governor's Regulatory Review Council (GRRRC), and within one year of the docket opening the Rule Revision process will proceed.
- When the proposed rules are submitted to the Governor's Regulatory Review Council (GRRRC) the ADRE may receive feedback and public input by written comment, and through public meetings for 30 days.
- After the 30 day public review period, ADRE shall close the record and submit the final rules to GRRRC within 120 days.
- GRRRC then has 30 days to review the final rules and schedule a public hearing.

The real estate industry and public will benefit from more clearly defined and updated rules that are consistent with law. Your questions and comments are always welcome. Please contact Sarah Dobbins, Chief of Staff at sdobbins@azre.gov if you would like more information.